



UNITED STATES PATENT AND TRADEMARK OFFICE

51
UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/781,680	02/12/2001	Bernard L. Ballou JR.	WT-16	6128

35856 7590 10/07/2004

LAVA GROUP LAW BY SMITH & FROHWEIN, LLC
P.O. BOX 88148
ATLANTA, GA 30356

EXAMINER

RAMAN, USHA

ART UNIT	PAPER NUMBER
----------	--------------

2616

DATE MAILED: 10/07/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/781,680

Applicant(s)

BALLOU ET AL.

Examiner

Usha Raman

Art Unit

2616

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 18 October 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-41 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-41 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 12 February 2001 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>08-19-2004</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED OFFICE ACTION

Drawings

1. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(5) because they do not include the following reference sign(s) mentioned in the description: "24" in paragraph 33, page 4 of the disclosure. Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. The replacement sheet(s) should be labeled "Replacement Sheet" in the page header (as per 37 CFR 1.84(c)) so as not to obstruct any portion of the drawing figures. If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

Claim Objections

2. The numbering of claims is not in accordance with 37 CFR 1.126 which requires the original numbering of the claims to be preserved throughout the prosecution. When claims are canceled, the remaining claims must not be renumbered. When new claims are presented, they must be numbered consecutively beginning with the number next following the highest numbered claims previously presented (whether entered or not).

Misnumbered claim 39 has been renumbered --40--.

3. Claims 4, 5, 11-12, and 14 are objected to because of the following informalities: in claims 4 and 5, "movie" has been incorrectly spelled as "move" in line 2; it is requested that "the identification number" in lines 2-3 of claim 11 be changed to -the unique identification number-- for consistency; and; it is requested that applicant maintain consistent terminology for the "central computer system" in claims 11-14. Appropriate correction is required.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 1 and 41 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Regarding claim 1, the phrase "for example" renders the claim indefinite because it is unclear whether the limitation(s) following the phrase are part of the claimed invention. See MPEP § 2173.05(d).

Claim 41 recites the limitation "the second tables" in 2. There is insufficient antecedent basis for this limitation in the claim.

Claim Rejections - 35 USC § 102

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

7. Claim 2, 8-10, 12-13, 17, 21, 24-26, 31-32, 34-35 are rejected under 35 U.S.C. 102(b) as being anticipated by Russo (US Pat. 5,619,247).

In regards to claims 2, 21, and 31, Russo teaches a video distribution method for distributing movies to customer households comprising the steps of producing digital movie disks with multiple movies recorded with a defined digital recording procedure (compression/decompression algorithm, note column 7, lines 35-38, lines 47-51, and column 8, lines 2-6); distributing the movie disks to the user (column 7, lines 47-51); providing customer households with movie disk readers with means for having playing back movies from the movie disks (note column 7, lines 55-61); and permitting customers to view desired movies from the digital movie disks from their movie disk reader devices, with the customers paying a viewing fee only for movies that are actually viewed (note abstract, and column 7, lines 53-55, and column 6, lines 25-30).

In regards to claims 8, 24, and 32 Russo's step of producing disks comprises a proprietary procedure (note column 8, lines 4-6, and column 7, lines 55-60).

In regards to claim 9, Russo teaches the step of encrypting the movie data on the disks (note column 6, lines 9-21).

In regards to claims 10, 25, and 34, Russo discloses that in order to de-scramble an encrypted program (i.e. in order to unlock a program for viewing), the provider broadcasts an access key code specifically addressed to the subscriber's decoder (note column 6, lines 12-15). Such a transmission

inherently requires the subscriber decoder to be uniquely addressed, and therefore the reader device has a unique identification number.

In regards to claims 12 and 26, Russo teaches the step of transmitting information between reader devices and the system central computer system (provider). Note column 6, lines 26-28 and lines 34-40.

In regards to claims 13 and 35, Russo discloses that subscriber device initiates communication with the provider or the central computer system (provider) can sense when the user selects a program for playing in order to conduct a payment transaction. Both methods of communication require the provider to identify the playback device for billing purposes, therefore inherently has the step of sending a playback device identification number to the provider.

In regards to claim 17, Russo discloses that the reader device informs the program provider all the programs that were selected for viewing, upon which the provider keeps track of the programs selected for output for invoice purposes. The system therefore has the method of transmitting the unique information of the reader device and the programs selected by that reader device. Note column 10, lines 23-29 and 32-34.

Claim Rejections - 35 USC § 103

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 1, 3-7, 22-23, and 33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Russo (US Pat. 5,619,247).

In regards to claim 1, Russo teaches a video distribution method for distributing movies to customer households comprising the steps of producing digital movie disks with movies recorded on various genre, in accordance with a proprietary digital rights management protocol (note column 3, lines 12-16, column 4, lines 59-63, column 7, lines 47-51, and column 8, lines 2-6); providing customer households with movie disk readers with means for having playing back movies from the movie disks in accordance with the proprietary digital rights management protocol (note column 7, lines 55-61); distributing the movie disks of a user preferred genre, as well as allowing user to make a direct request of movies to be distributed (note column 9, lines 61-column 10, line 1); and permitting customers to view desired movies from the digital movie disks of plurality of movies through their movie disk reader devices, with the customers paying a viewing fee only for movies that are actually viewed (note abstract, and column 7, lines 53-55).

Russo doesn't teach the step of periodically producing digital disks of new releases and digital disks of classic/older movies and the step of distributing the new release disks periodically. Russo does, however, teach the step of distributing (recording) movies by various genres as preferred by the viewer or requested by the viewer. Furthermore, it is also well known to one of ordinary skill in the art that "new releases" and "classic" movies are examples of genres of

movies. Therefore it would have been obvious to one of ordinary skill in the art to produce digital movie disks according to various genres including classic movies and new release movies, in order to categorize the various types of movies available for distribution and provide a customized selection to viewers. Furthermore, it would be obvious to periodically produce the digital movie disks of such genres and distribute them periodically to make them available to the consumers for viewing, thereby generating potential revenue for the content providers.

In regards to claim 3, Russo doesn't teach the step of producing digital disks of new releases. Russo does, however, teach the step of distributing (recording) movies by various genres as preferred by the viewer or requested by the viewer. Furthermore, it is also well known to one of ordinary skill in the art that "new releases" is an example of a genre of movies. Therefore it would have been obvious to one of ordinary skill in the art to produce digital movie disks according to various genres including new release movies, in order to categorize the various types of movies available for distribution and provide a customized selection to viewers.

In regards to claim 4, Russo does not teach the step of distributing movie disks on a periodic basis. It is well known that as more new movies are produced, they are made available for distribution to consumers. It would be obvious to distribute the movie disks on a periodic basis, as they are produced,

to make them available to the consumers for viewing, thereby generating potential revenue for the content providers.

In regards to claim 5, modified system does not teach the step of distributing monthly basis. Official notice is taken that distributing movie disks on a periodic basis can take forms of monthly. It would be obvious to distribute the movies monthly in the modified system of Russo, in order to make the new releases of each month available to the consumers.

In regards to claim 6, Russo does not teach the step of producing digital movie disks with classic/older movies. Russo teaches the step of distributing (recording) movies by various genres as preferred by the viewer or requested by the viewer. Furthermore, it is also well known to one of ordinary skill in the art that "classic movies" is an example of a genre of movies. Therefore it would have been obvious to one of ordinary skill in the art to produce digital movie disks according to various genres including classic movies, in order to categorize the various types of movies available for distribution and provide a customized selection to viewers.

In regards to claim 7, the modified system of Russo teaches the step of permitting customers to order selected ones of classic movie disks (note column 9, lines 63-65).

In regards to claim 22, see claims 3 and 6.

In regards to claim 23, see claims 4 and 7.

In regards to claim 33, see claims 3 and 6.

Art Unit: 2616

10. Claims 14-16, 19-20, 27, 28, 30, 36-41, are rejected under 35 U.S.C. 103(a) as being unpatentable over Russo (US Pat. 5,619,247) in view of Braitberg (WO 01/54410 A2).

In regards to claim 14, Russo does not disclose the step of reader device transmitting a second unique identification code to the central computer.

Braitberg et al. discloses a digital rights management system where a digital movie disk comprises media identifier such as serial number. In order to receive authorization to play the content, a reader device reads the media identifier, and transmits that to a central computer system, which upon a payment transaction, calculates an content enablement code and transmits it to the reader device to enable the requested content. Each digital movie disk comprises a unique media identifier, so that even if copies are made from a digital movie disk, the content of is not authorized unless a payment transaction has been made with the associated media identifier. Note page 4, lines 13-16, page 5, lines 4-10, lines 23-26, and page 8, lines 33-34.

It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate Braitberg's teachings and transmit a second unique identification code, identifying the digital movie disk, in order to receive an access code for that disk. The motivation is to provide an enablement key that enables content only in the disk for which a payment transaction has been made, in order to prevent unauthorized usage of the content, in case copies of the disk are made.

In regards to claims 15 and 36, the modified system of Russo in view of Braitberg comprises the step of central computer receiving the first and second information identification numbers, the central computer creating a digital rights management code (content enablement key), and sending the code to one of the reader devices. Note page 13, lines 1-12 in Braitberg.

In regards to claims 16, 28, and 38, the modified system of Russo in view of Braitberg comprises the step of the central computer sending the reader device instructions on the amount of available credit it can draw upon. Note column 5, lines 59-61, column 6, lines 18-27 and column 10, lines 43-48 in Russo.

In regards to claims 27, see claims 14 and 15.

In regards to claims 19, 20, 30, 37, 39, and 40, Russo teaches the step of proving a credit amount stored in the reader device, from which the amount is debited each time a movie is played. Note Russo does not teach the step of providing the reader device with a first table listing standard pricing rules for a first category of movies.

Braitberg discloses that a user who wishes to enable some or all content in a digital disk establishes a connection with the content provider, and upon selection of content and enablement or non-enablement of advertisements, pricing structures are established. Note page 5, lines 27- page 6, line 2 and page 10, lines 21-28. Thus, content with advertisements enabled (first category of content) have a first set of "standard" pricing rules and content with

advertisements with non-enablement have a second set of "exception" (i.e. a premium type subscription) pricing rules (second category of content). The movies therefore have two pricing modes for all the movies, standard or exception, based on the enablement of advertisements.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Russo with Braitberg's teachings and provide customer with first category of movies with a first standard pricing rules and a second category of movies with a second exception pricing rules in order to provide the customer with flexible, variable pricing scheme for the movies.

In regards to claim 41, the modified system of Russo in view of Braitberg further teaches means for changing pricing rules for the first and second category of movies, such as when a user wishes to obtain additional access privileges. Note page 6, lines 20-22 in Braitberg.

11. Claim 11 is rejected under 35 U.S.C. 103(a) as being unpatentable over Russo (US Pat. 5,619,247) in view of Goode et al. (US Pre Grant Pub. 2004/0083492).

In regards to claim 11, Russo does not teach the step of the customer selecting the first unique identification number for the reader devices.

Goode et al. discloses a system for providing subscriber on demand services, where a subscriber terminal establishes a connection with the service provider using a personal identification number in addition to terminal identification number. The subscriber selects a PIN for transmission in addition to the terminal ID in order to identify the level of access or service the subscriber

is permitted to access, for use in a household where a plurality of subscribers have different access privileges. Note paragraph 41 in pages 4-5.

It would have been obvious to one of ordinary skill in the art to modify the system of Russo with Goode's teaching by including the step of customer selecting a personal identification number in addition to the terminal identification number, in order to identify the services and privileges that subscriber is permitted to access.

12. Claims 18 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Russo in view of Braitberg as applied to claims 17 and 27 above, and further in view of Voyticky (US 6,438,751).

In regards to claim 18, and 29, the modified system lacks the step of transmitting date and time information back to the system controller. Voyticky teaches the step of time-stamping an event, and sending the timestamp information to a head end system so that the head end system can trace the time it was being watched at. Note figures 6, 7 and abstract in Voyticky.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Russo to include time stamps as taught by Voyticky, in order to allow the system controller determine when an event was watched.

Conclusion


Art Unit: 2616

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Usha Raman whose telephone number is (703) 305-0376. The examiner can normally be reached on Mon-Fri: 9am-6pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew Faile can be reached on (703) 305-4380. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

UR
09-27-04


VIVEK SRIVASTAVA
PRIMARY EXAMINER